

AMENDED IN ASSEMBLY APRIL 29, 2013

AMENDED IN ASSEMBLY MARCH 19, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 43

Introduced by Assembly Member Bocanegra

December 14, 2012

An act to ~~add Section 5143.5 to~~ amend Section 17052.25 of the Revenue and Taxation Code, relating to taxation, *to take effect immediately, tax levy.*

LEGISLATIVE COUNSEL'S DIGEST

AB 43, as amended, Bocanegra. ~~Property taxation: refund actions. Income taxes: credits: adoption costs.~~

The Personal Income Tax Law authorizes various credits against the taxes imposed by that law, including a credit in an amount equal to 50% of specified adoption costs, not to exceed \$2,500 per minor child.

This bill would increase the maximum amount of the above credit to \$3,000, commencing January 1, 2014.

This bill would take effect immediately as a tax levy.

~~Existing law authorizes a taxpayer to bring an action in the superior court against a county or a city to recover a tax that the board of supervisors of the county or the city council of the city has refused to refund, as specified.~~

~~This bill would provide that in all actions or proceedings for judicial review of a county board's decision, including those initiated by an assessor, if remand is required for any reason, the court shall issue a written statement of decision or order that explains the factual and legal~~

basis for the court's decision as to each of the material controversial issues and includes instructions for remand to the county board.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 *SECTION 1. Section 17052.25 of the Revenue and Taxation*
2 *Code is amended to read:*

3 17052.25. (a) For each taxable year beginning on or after
4 January 1, 1994, there shall be allowed as a credit against the "net
5 tax," as defined in Section 17039, an amount equal to 50 percent
6 of the costs paid or incurred by a taxpayer for the adoption of any
7 minor child who is a citizen or legal resident of the United States
8 and was in the custody of a public agency of either this state or a
9 political subdivision of this state. ~~The credit shall not exceed two~~
10 ~~thousand five hundred dollars (\$2,500) per minor child.~~

11 (1) *For each taxable year beginning on or after January 1,*
12 *1994, and before January 1, 2014, the credit shall not exceed two*
13 *thousand five hundred dollars (\$2,500) per minor child.*

14 (2) *For each taxable year beginning on or after January 1,*
15 *2014, the credit shall not exceed three thousand dollars (\$3,000)*
16 *per minor child.*

17 (b) "Costs" eligible for the credit pursuant to subdivision (a)
18 shall include the following:

19 (1) Fees for required services of either the Department of Social
20 Services or a licensed adoption agency.

21 (2) Travel and related expenses for the adoptive family that are
22 directly related to the adoption process.

23 (3) Medical fees and expenses that are not reimbursed by
24 insurance and are directly related to the adoption process.

25 (c) The credit authorized by this section shall be claimed for
26 the taxable year in which the decree or order of adoption is entered
27 pursuant to Section 8612 of the Family Code. However, the
28 allowable credit claimed may include any costs of that adoption
29 paid or incurred in any prior taxable year.

30 (d) In the case where the credit allowed by this section exceeds
31 the "net tax," the excess may be carried over to reduce the "net
32 tax" in the following year, and succeeding years if necessary, until
33 the total credit of two thousand five hundred dollars (\$2,500), *or*

1 *commencing January 1, 2014, three thousand dollars (\$3,000),*
2 *per minor child is exhausted.*

3 (e) Any deduction otherwise allowed under this part for any
4 amount paid or incurred by the taxpayer upon which the credit is
5 based shall be reduced by the amount of the credit allowed under
6 this section.

7 *SEC. 2. This act provides for a tax levy within the meaning of*
8 *Article IV of the Constitution and shall go into immediate effect.*

9 ~~SECTION 1. Section 5143.5 is added to the Revenue and~~
10 ~~Taxation Code, to read:~~

11 ~~5143.5. In all actions or proceedings for judicial review of a~~
12 ~~county board's decision, including those initiated by an assessor,~~
13 ~~if remand is required for any reason, the court shall issue a written~~
14 ~~statement of decision or order that explains the factual and legal~~
15 ~~basis for the court's decision as to each of the material controversial~~
16 ~~issues and includes instructions for remand to the county board.~~